

---

---

**Jersey Central Collateral Trust Deed**

**\$45,000,000.**

---

**READING COMPANY**

*to*

**THE PENNSYLVANIA COMPANY FOR  
INSURANCES ON LIVES AND  
GRANTING ANNUITIES,**

*Trustee.*

THE LIBRARY  
— OF THE —  
UNIVERSITY OF ILLINOIS

*Dated April 1, 1901.*

---

---



385.4  
C 335 d

I

**This Indenture**, made this first day of April, in the year one thousand nine hundred and one, between the

READING COMPANY, a corporation of the State of Pennsylvania, party of the first part, and

THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, a corporation of the state aforesaid (hereinafter called the Trustee), party of the second part:

WHEREAS, upon the seventh day of January, 1901, the Reading Company agreed to purchase one hundred and forty-five thousand (145,000) shares of the Capital Stock of the Central Railroad Company of New Jersey; and

WHEREAS, The said stock has been transferred to and vested in the Reading Company, in consideration, among other things, of the execution by the Reading Company of this purchase money collateral Indenture to secure a present issue of bonds for the aggregate principal sum of \$23,000,000, with the right by a pledge of additional shares of the Capital Stock of the Central Railroad Company of New Jersey to issue additional bonds in payment therefor on the terms, conditions and limitations hereinafter specifically set forth; and

WHEREAS, The Board of Directors of the Reading Company, at a meeting thereof duly held on the twenty-eighth day of February, 1901, duly adopted resolutions in the following words, that is to say:

“*Resolved*, That the President and Secretary of the Company be, and they are hereby, authorized and directed, in its behalf and under the corporate seal, to execute and

deliver to The Pennsylvania Company for Insurances on Lives and Granting Annuities, of Philadelphia, a mortgage or deed of trust to be known as the 'Jersey Central Collateral Trust Deed,' substantially of the tenor of the draft thereof now submitted at this meeting, upon the following shares of stock :

145,000 shares of the Capital Stock of the Central Railroad Company of New Jersey, of the par value of \$100 each, being a majority of the whole capital stock of said Company.

29,900 shares of the Capital Stock of the Perkiomen Railroad Company, of the par value of \$50 each, being the whole of the Capital Stock of the Perkiomen Railroad Company, less 100 shares retained for corporate organization ; and

4,400 shares of the Capital Stock of the Port Reading Railroad Company, of the par value of \$100 each, now belonging to this Company ; and, also, all additional shares of the Capital Stock of the Central Railroad Company of New Jersey which hereafter shall be acquired by the use of any of the bonds hereinafter mentioned ; which deed of trust shall secure an issue of bonds to be called 'Jersey Central Collateral 4% Gold Bonds' not exceeding the aggregate principal sum of Forty-five Million Dollars (\$45,000,000); the principal thereof payable on the first day of April in the year 1951, in gold coin of the United States of the standard of weight and fineness as it existed April 1, 1901, at the office of the Reading Company in the City of Philadelphia or its agency in the City of New York, with interest thereon from April 1, 1901, at the rate of four per centum (4%) per annum, until the said principal sum shall have been fully paid ; such interest to be payable semi-annually at the office of the Reading Company in the City of Philadelphia, or at its agency in the City of New York, in like gold coin,

on the first day of April and the first day of October in each year ; both the principal and interest of said bonds to be payable without deduction for any tax or taxes which the Reading Company, or the Trustee, may be required to pay or to retain therefrom under any present or future law of the United States, or of any State or County or municipality therein ; the bonds to be secured by this Indenture are to be coupon bonds of the denomination of \$1,000, numbered consecutively from 1 upwards, and registered bonds of the denomination of \$1,000, or such multiples thereof as the Company may from time to time determine, numbered consecutively from 1 upwards.

*Resolved*, That the present issue of bonds shall be limited to the aggregate principal sum of Twenty-three Million Dollars (\$23,000,000) with the right (which is hereby reserved) to increase the issue of said bonds to a total aggregate not exceeding Forty-five Million Dollars (\$45,000,000) for the purpose of acquiring additional shares of the said Capital Stock of the Central Railroad Company of New Jersey ; such shares, when so acquired and paid for by the issue of bonds hereunder, shall be pledged with the Trustee under the mortgage with like effect as if they had been made part of the original pledge.

*Resolved*, That said bonds shall contain an express stipulation that on the first day of April, 1906, or at any interest-paying period thereafter, the Reading Company shall have the right to pay or redeem said bonds at par and accrued interest, together with a premium of five per centum; provided six months' notice of such payment or redemption be given in the manner set forth in the Collateral Indenture.

*Resolved*, That the President, or any Vice-President, and the Secretary, or any Assistant Secretary, of the Reading Company, from time to time, for the purpose and in the manner set forth in said Collateral Trust Deed, as

directed by this Board, shall execute in the name and in behalf of the Company, and under its corporate seal, such bonds to be secured by said mortgage.

*Resolved*, That the coupons to be attached to the said bonds shall be authenticated by the engraved fac-simile signature of the present Treasurer or of any future Treasurer of the Company ; it being intended that for that purpose the Company may adopt and may use the engraved fac-simile signature of any such Treasurer, notwithstanding the fact that such person may have ceased to be such Treasurer at the time when any such bonds actually shall be certified and delivered.

*Resolved*, That upon each of such bonds executed in behalf of this Company there shall be endorsed a certificate of the Trustee, which certificate shall be the conclusive and only evidence that such bonds are entitled to the security of the Mortgage and Collateral Trust Deed, and that no bonds shall be valid or obligatory for any purpose until such certificate shall have been executed by the Trustee, such certificate to be substantially of the tenor hereinafter set forth.

WHEREAS, A copy of said collateral Indenture submitted at said meeting, was substantially in the form of these presents.

AND WHEREAS, the bonds to be secured by this Indenture, from time to time, as directed by the Board of Directors of the Reading Company, are to be executed in the name and on behalf of the said Company, and under its corporate seal, by its President, or any Vice-President, and its Secretary, or Assistant Secretary, and are to be substantially of the following tenor, to wit :



[FORM OF COUPON FOUR PER CENT. GOLD BOND]

No.

\$1,000

UNITED STATES OF AMERICA.

READING COMPANY.

Jersey Central Collateral 4% Coupon Gold Bond.

KNOW ALL MEN BY THESE PRESENTS, That Reading Company, a corporation of the State of Pennsylvania, for value received, promises to pay to the bearer, or if registered, to the registered holder of this bond, one thousand dollars, in Gold Coin of the United States of America, on the first day of April, 1951, at the office of the Reading Company in the City of Philadelphia, Penna., or its agency in the City of New York, and to pay interest thereon at the rate of four per cent. per annum from April 1, 1901, payable semi-annually, at the said office or agency in like Gold Coin on the first day of April and the first day of October in each and every year until the payment of said principal sum, on presentation and surrender, as severally they shall mature, of the coupons therefor annexed hereto; United States Gold Coin in every case to be of the standard of weight and fineness as it existed April 1, 1901.

Both the principal and interest of this bond are payable without deduction for any tax or taxes which the Reading Company or the Trustee may be required to pay or to retain therefrom, under any present or future law of the United States, or of any state or county or municipality therein.

This bond is one of a series of four per cent. Gold Bonds (coupon and registered) of the Reading Company, issued and to be issued, for an aggregate principal sum of Twenty-three Million Dollars, under and in pursuance of, and all equally secured by a Collateral Indenture, dated

April 1, 1901, executed by the Reading Company to The Pennsylvania Company for Insurances on Lives and Granting Annuities, as Trustee, pledging one hundred and forty-five thousand shares of the Capital Stock of the Central Railroad Company of New Jersey, being a majority of the whole capital stock of said company; Twenty-nine thousand and nine hundred shares of the Capital Stock of the Perkiomen Railroad Company, being the entire capital stock of the Perkiomen Railroad Company, less one hundred shares retained for corporate organization, and Four thousand four hundred shares of the Capital Stock of the Port Reading Railroad Company; the certificates for which have been or shall be delivered to the Trustee pursuant to said Collateral Indenture, to which reference is hereby made for a statement of the property pledged, the nature and extent of the security, the rights of the holders of said bonds, and the terms and conditions upon which said bonds are issued and secured; the officers, directors and stockholders of the Reading Company being expressly exempted, relieved and absolved from any and all personal liability in respect of said bonds, all such liability being hereby expressly waived. The right is reserved to increase the issue of said bonds for the purpose of acquiring additional shares of said Capital Stock of the Central Railroad Company of New Jersey, as provided in said Collateral Indenture.

On the first day of April, 1906, or at any interest paying period thereafter, the Reading Company shall have the right to pay off or redeem this bond at par and accrued interest, together with a premium of five per centum; provided six months' notice of such payment or redemption be given in the manner set forth in the Collateral Indenture.

This bond shall pass by delivery, unless registered in the owner's name on the books of the Reading Company,



at its office in the City of Philadelphia, or at its agency in the City of New York, such registry being noted on the bond by an officer of the Company or its transfer agent. After such registration, no transfer shall be valid unless made on the Reading Company's books by the registered owner, and similarly noted on the bond; but the same may be discharged from registry by being transferred to bearer, and thereafter transferability by delivery shall be restored, but this bond may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, which shall continue to be transferable by delivery merely.

The holder also, at his option, may surrender for cancellation this bond with the coupons for future interest thereon, in exchange for a registered bond without coupons, as provided in said Indenture.

This bond shall not become obligatory for any purpose until it shall have been authenticated by the certificate hereon endorsed, of the Trustee under said Indenture.

IN WITNESS WHEREOF, the Reading Company has caused these presents to be signed by its President, or one of its Vice-Presidents, and its corporate seal to be hereunto affixed, and to be attested by its Secretary, or an Assistant Secretary, and coupons for such interest, with the engraved signature of its Treasurer, to be attached hereto, this first day of April, 1901.

READING COMPANY,

[L. s.]

By

President.

Attest :

Secretary.

[FORM OF INTEREST COUPON, OF WHICH THE FIRST IS TO BE  
PAYABLE OCTOBER 1, 1901.]

No.

\$20.00.

On the first day of

Reading Company will pay to bearer, at its office in Philadelphia, Pa., or agency in the City of New York, N. Y., Twenty Dollars, United States Gold Coin of the standard existing April 1, 1901, without deduction for taxes, being six months' interest then due on its Jersey Central Collateral Four Per Cent. Gold Bond, No.

Treasurer.

[FORM OF TRUSTEE'S CERTIFICATE.]

This bond is one of the series of bonds described in the within mentioned Indenture, executed by Reading Company, to the undersigned as Trustee.

THE PENNSYLVANIA COMPANY FOR INSURANCES  
ON LIVES AND GRANTING ANNUITIES,

Trustee.

By

[FORM OF REGISTERED FOUR PER CENT. GOLD BOND]

No.

\$1,000

UNITED STATES OF AMERICA.

READING COMPANY.

Jersey Central Collateral 4% Registered Gold Bond.

KNOW ALL MEN BY THESE PRESENTS, That Reading Company, a corporation of the State of Pennsylvania, for value received, promises to pay to

or assigns, one thousand dollars, in Gold Coin of the United States of America, on the first day of April, 1951, at the office of the Reading Company in the City of Philadelphia, Penna., or its agency in the City of New York, and to pay interest thereon at the rate of four per cent. per annum from April 1, 1901, payable semi-annually, at the said office or agency, in like Gold Coin, on the first day of April and the first day of October in each and every year until the payment of said principal sum, United States Gold Coin in every case to be of the standard of weight and fineness as it existed April 1, 1901.

Both the principal and interest of this bond are payable without deduction for any tax or taxes which the Reading Company or the Trustee may be required to pay or to retain therefrom, under any present or future law of the United States, or of any State or County or municipality therein.

This bond is one of a series of four per cent. Gold Bonds (coupon and registered) of the Reading Company, issued and to be issued, for an aggregate principal sum of Twenty-three Million dollars, under and in pursuance of, and all equally secured by a Collateral Indenture, dated April 1, 1901, executed by the Reading Company to The Penn-

sylvania Company for Insurances on Lives and Granting Annuities, as Trustee, pledging one hundred and forty-five thousand shares of the Capital Stock of the Central Railroad Company of New Jersey, being a majority of the whole capital stock of said company; Twenty-nine thousand and nine hundred shares of the Capital Stock of the Perkiomen Railroad Company, being the entire capital stock of the Perkiomen Railroad Company, less one hundred shares retained for corporate organization, and Four thousand four hundred shares of the Capital Stock of the Port Reading Railroad Company; the certificates for which have been or shall be delivered to the Trustee pursuant to said Collateral Indenture, to which reference is hereby made for a statement of the property pledged, the nature and extent of the security, the rights of the holders of said bonds, and the terms and conditions upon which said bonds are issued and secured; the officers, directors and stockholders of the Reading Company being expressly exempted, relieved and absolved from any and all personal liability in respect of said bonds, all such liability being hereby expressly waived. The right is reserved to increase the issue of said bonds for the purpose of acquiring additional shares of said Capital Stock of the Central Railroad Company of New Jersey, as provided in said Collateral Indenture.

On the first day of April, 1906, or at any interest paying period thereafter, the Reading Company shall have the right to pay off or redeem this bond at par and accrued interest, together with a premium of five per centum; provided six months' notice of such payment or redemption be given in the manner set forth in the Collateral Indenture.

This bond is transferable by the registered holder thereof, in person or by attorney duly authorized, on the books of the Reading Company, at its office in the City of Philadelphia, or its agency in the City of New York, upon

surrender and cancellation of this bond; and thereafter a new registered bond will be issued to the transferee in exchange therefor, as provided in said Indenture, and on payment, if the Reading Company shall so require, of the charge therein provided for. This bond also, in the manner prescribed in said Indenture and upon payment of the charge therein provided for, is exchangeable for coupon bonds for the same aggregate principal sum.

This bond shall not become obligatory for any purpose until it shall have been authenticated by the certificate, hereon endorsed, of the Trustee under said Indenture.

IN WITNESS WHEREOF, the Reading Company has caused these presents to be signed by its President, or one of its Vice-Presidents, and its corporate seal to be hereunto affixed, and to be attested by its Secretary, or an Assistant Secretary, this first day of April, 1901.

READING COMPANY,

[L. s.]

By,

President.

Attest:

Secretary.

[FORM OF TRUSTEE'S CERTIFICATE.]

This bond is one of the series of bonds described in the within mentioned Indenture, executed by the Reading Company to the undersigned, as Trustee.

THE PENNSYLVANIA COMPANY FOR INSURANCES  
ON LIVES AND GRANTING ANNUITIES.

Trustee.

AND WHEREAS, The coupons to be attached to such coupon bonds are to be authenticated by the engraved signature of the present Treasurer, or of any future Treasurer of the Reading Company, it being intended that for that purpose the Reading Company may adopt and may use the engraved signature of any person who shall have been such Treasurer, notwithstanding the fact that he may have ceased to be such Treasurer at the time when such bonds actually shall be certified and delivered, and such coupons shall be attached to the bonds; and

WHEREAS, In pursuance of such resolutions and consent, and of all and every legal power and authority in it vested, the Reading Company proposes now to make and execute, and from time to time to issue and deliver, bonds secured hereby;

**Now, therefore, this Indenture witnesseth:**  
That in order to secure the payment of the principal and interest of all such bonds at any time issued and outstanding under this Indenture, according to their tenor and effect, and the performance of all the covenants and conditions herein contained:

The Reading Company, party of the first part, in consideration of the premises, and of the sum of one dollar to it by the Trustee duly paid at or before the ensealing and delivery of these presents, the receipt whereof hereby is acknowledged, has executed and delivered these presents, and has assigned, transferred and pledged and by these presents does assign, transfer and pledge unto the Trustee, party of the second part, its successors and assigns forever:

The following shares of the capital stock now belonging to the Reading Company and for which certificates are to be transferred and delivered, either by the Reading Com-



pany or by the record holders of such certificates or shares, to the Trustee, as hereinafter provided, namely :

One hundred and forty-five thousand shares of the Capital Stock of the Central Railroad Company of New Jersey, of the par value of \$100 each, being a majority of the whole capital stock of said Company ;

Twenty-nine thousand and nine hundred shares of the Capital Stock of the Perkiomen Railroad Company, of the par value of \$50 each, being the whole of the Capital Stock of the Perkiomen Railroad Company, less one hundred shares retained for corporate organization ; and

Four thousand four hundred shares of the Capital Stock of the Port Reading Railroad Company of the par value of \$100 each.

All property of every name and nature, from time to time hereafter, by delivery or by writing of any kind, for the purposes hereof pledged, assigned or transferred by the Reading Company, or any one in its behalf, to the Trustee, which is hereby authorized to receive any property, at any and all times as and for additional security, and also when, and as hereinafter provided, as substituted security, for the payment of bonds issued or to be issued hereunder and to hold and apply any and all such property subject to the terms hereof.

**To have and to hold** the shares of stock hereby transferred, assigned and pledged, or intended to be transferred, assigned and pledged, unto the Trustee, its successors and assigns, forever.

**But in trust, nevertheless,** for the equal and proportionate benefit and security of all present and future holders of the bonds and interest obligations issued and to

be issued under and secured by this Indenture, and for the enforcement of the payment of said bonds and interest obligations, when payable, and for the performance of, and compliance with, the covenants and conditions of this Indenture; without preference, priority or distinction as to lien or otherwise of any one bond over any other bond by reason of priority in the issue or negotiation thereof, so that each and every bond, issued and to be issued as aforesaid, shall have the same right, lien and privilege under and by this Indenture, and so that the principal and interest of every such bond shall, subject to the terms hereof, be equally and proportionately secured hereby, as if all had been made, executed, delivered and negotiated simultaneously with the execution and delivery of this Indenture; it being intended that the lien and security of this Indenture shall take effect from the day of the date hereof without regard to the date of actual issue, sale or disposition of said bonds as though, upon such day, all of said bonds had been actually issued, sold and delivered to, and were in the hands of, innocent holders for value.

AND IT IS HEREBY EXPRESSLY COVENANTED that all such bonds and the coupons for interest thereon are to be issued, certified, delivered, and received, and that the properties pledged are to be held by the Trustee subject to and upon the further covenants, conditions, terms, uses and trusts hereinafter set forth; and accordingly it is covenanted by and between the parties hereto as follows, viz.:

## ARTICLE ONE.

## Issue and Appropriation of Bonds.

SECTION 1. All bonds to be secured hereby, from time to time, shall be executed, and shall be delivered by the Reading Company to the Trustee for certification, and thereupon, as provided in this Article One, and not otherwise, the Trustee shall certify and deliver the same. The aggregate amount of the bonds issued and outstanding under this Indenture shall never at any one time exceed the principal sum of forty-five million dollars (\$45,000,000).

Only such bonds as shall bear thereon a certificate substantially in the form hereinbefore recited, duly executed by the Trustee, shall be secured by this Indenture, or shall be entitled to any lien or benefit hereunder; and every such certificate of the Trustee, upon any bond executed in behalf of the Reading Company, shall be conclusive evidence that the bond so certified has been duly issued hereunder, and is entitled to the benefit of the trust hereby created.

Before certifying or delivering any coupon bond hereby secured, the Trustee shall cut off, and shall cancel, all coupons thereof then matured.

SEC. 2. Of the bonds authorized to be issued under and secured by this Indenture, bonds to the amount of twenty-three million dollars (\$23,000,000) immediately upon the execution or delivery hereof, or as soon as may be thereafter, in advance of any record or registration hereof, and without any further action on the part of the Reading Company, shall by the Trustee be certified and delivered to the Reading Company; and the Reading Company shall not be accountable hereunder to the Trustee for or in respect of the bonds so delivered or the disposition or use thereof.

SEC. 3. The Reading Company reserves the right on the first day of April, nineteen hundred and six (1906), or at any subsequent interest paying period, to pay off and redeem the bonds issued hereunder, at par and accrued interest together with a premium of five per centum, for each of said bonds; provided, that six months prior to the time when it elects to pay off and redeem the bonds it shall give notice thereof to the Trustee, and the Trustee shall thereupon cause to be published in one newspaper published in the City of New York, and in one newspaper published in the City of Philadelphia, once a week for six successive weeks, a notification to all bondholders that on the day therein designated the said bonds will be paid off at par and accrued interest, together with a premium of five per centum; and the holders of the said bonds severally agree to accept and receive the said amount in full payment for each of said bonds on the day fixed for the payment. In case the bonds are not presented on the day named for payment, the Reading Company shall have the right to deposit with the Trustee a sum sufficient to pay all of the outstanding bonds at the rate hereinbefore named, and thereafter interest shall cease to accrue upon said bonds; and on the delivery to the Trustee by the Reading Company of all bonds paid by it, and the payment of the sums required to pay off the outstanding bonds, and likewise the costs and expenses incurred by the Trustee in the trust, the Trustee shall assign and transfer to the Reading Company all shares of stock or other property pledged hereunder, and shall cause this collateral Indenture to be cancelled and satisfied.

SEC. 4. The remainder of such authorized issue shall be reserved to be executed by the Reading Company and to be certified and delivered by the Trustee, only for the following purposes, viz.:—

(a) The acquisition of additional shares of the Capital Stock of the Central Railroad Company of New Jersey at a price to be agreed upon by the Reading Company and the seller of such shares, but not in any case to exceed One Hundred and Sixty Dollars (\$160) per share.

(b) In case of the acquisition of additional shares of the Capital Stock of the Central Railroad Company of New Jersey when and as the said shares are pledged and delivered hereunder by transfer and delivery to the Trustee (in the same manner as is herein provided for the 145,000 shares of the Capital Stock of the Central Railroad Company of New Jersey hereinbefore referred to), additional bonds secured by this Indenture of Mortgage, shall be issued and duly certified by the Trustee and when so certified, delivered by the Trustee to the Reading Company or such persons as it may direct, in payment for said shares of Capital Stock of the Central Railroad Company of New Jersey so acquired, said additional bonds to be received in payment of the purchase price of said shares at the rate of not less than nine hundred and seventy-five dollars for each one thousand dollars of the purchase price of said shares.

SEC. 5 Nothing in this Article One, or in any other Article of this Indenture, or in the bonds issued hereunder, expressed or implied, is intended, or shall be construed, to give to any person or corporation, other than the parties hereto and the holders of bonds issued under and secured by this Indenture, any legal or equitable right, remedy or claim under or in respect of this Indenture, or any covenant, condition or provision herein contained, all its covenants, conditions and provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and of the holders of the bonds hereby secured.

## ARTICLE TWO.

## Particular Covenants of the Reading Company.

SECTION 1. Duly and punctually the Reading Company will pay the principal and interest of every bond issued and secured hereunder, without deduction from either principal or interest, for any tax or taxes or stamp duties imposed by the United States, or any State or County or Municipality thereof, which the Reading Company may be required to pay, or to retain therefrom, under or by reason of any present or future law.

Duly and punctually the Reading Company will pay the principal and interest of every bond or obligation at any time having a lien superior to the lien hereof, and in like manner every Company, a majority of whose shares are pledged hereunder, duly and punctually will pay the principal and interest of every bond or obligation on, or affecting, any of its property.

SEC. 2. Whenever demanded by the Trustee, the Reading Company will cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, transfers and assurances for the better assuring, conveying and confirming unto the Trustee all and singular the property hereby conveyed or intended so to be, or which the Reading Company herein has covenanted and agreed hereafter to convey to the Trustee, as reasonably it shall require for better accomplishing the provisions and purposes of this Indenture and for securing payment of the principal and interest of the bonds intended to be secured hereby, every such deed, transfer or assurance being intended to be, and being supplemental to this Indenture and not an original or independent deed or transfer.



SEC. 3. The Reading Company, at an office to be maintained by it in the City of Philadelphia, or an agency in the City of New York, will keep a sufficient register or registers of bonds issued hereunder, which registers at all reasonable times shall be open to the inspection of the Trustee; and, upon presentation for such purpose, it will, under such reasonable regulations as it may prescribe, register therein any registered or coupon bonds issued under the provisions hereof.

Upon presentation, at the place where such register or registers are kept, of any such registered coupon bond bearing a written power to transfer the same, executed by the registered holder, for the time being, in a form approved by the Reading Company, such bond shall be transferred upon such register. The registered holder of any such registered coupon bond also shall have the right to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored, and thereafter the principal of such bond shall be payable to any person presenting the same; but any such coupon bond registered as payable to bearer may be registered again in the name of the holder with the same effect as a first registration thereof. Successive registrations and transfers as aforesaid may be made from time to time as desired; and each registration of a coupon bond shall be noted by an officer of the Company, or by the transfer agent, on the bond.

Registration of any coupon bond shall, however, not restrain the negotiability of any coupon thereto belonging, but every such coupon shall continue to pass by delivery merely, and shall remain payable to bearer.

Whenever any coupon bond or coupon bonds, together with all matured coupons thereto belonging, shall be surrendered for exchange for registered bonds, Reading

Company shall issue, and the Trustee shall certify and deliver, in exchange for such coupon bond or bonds, a like amount of registered bonds, without coupons. Such registered bonds shall be for \$1,000, or such multiples thereof as the Reading Company shall from time to time determine, and shall bear interest at the same rate as the surrendered coupon bonds, and from the date of the last matured coupon thereof. In every case of such exchange the Trustee forthwith shall cancel the surrendered bond or bonds and coupons and shall deliver the same to Reading Company.

Whenever any such registered bond shall be surrendered for transfer, Reading Company shall issue, and the Trustee shall certify and deliver, to the transferee, upon surrender and cancellation of the bond or bonds transferred, a like amount of new registered bonds.

Whenever any registered bond or bonds shall be surrendered for exchange for coupon bonds, Reading Company shall issue, and the Trustee shall certify and deliver, in exchange for such registered bond or bonds, a like amount of coupon bonds. In every case of such exchange the Trustee forthwith shall cancel the surrendered bond or bonds and shall deliver the same to Reading Company.

For any exchange of coupon bonds for registered bonds and for any transfer of registered bonds without coupons, or for any exchange of registered bonds for coupon bonds, Reading Company, at its option, may make a charge not exceeding one dollar; but no charge shall be made for registration of the principal of coupon bonds.

In case any coupon bonds issued hereunder, with the coupons thereto appertaining, or any registered bond without coupons, shall become mutilated or be destroyed, Reading Company, in its discretion, may issue, and the Trustee thereupon shall certify and deliver, a new bond of

like tenor and date, bearing the same serial number, in exchange and substitution for, and upon cancellation of, the mutilated coupon bond and its coupons, or the registered bond, or in lieu of, and substitution for, the coupon bond and its coupons, or the registered bond, so destroyed, upon receipt of satisfactory evidence of the destruction of such coupon bond and its coupons, or of such registered bond, and upon receipt also of satisfactory indemnity.

SEC. 4. If any company of whose capital stock the greater part shall have been pledged hereunder, at any time while the greater part of the capital stock of such company shall be pledged hereunder, shall fail to pay all taxes, assessments and charges lawfully imposed upon the property of such company or upon the income and profits thereof, then it, the Reading Company, upon request in writing by the Trustee, or by the holders of ten per cent. in amount of the bonds hereby secured and then outstanding, itself will pay and discharge the same; provided, however, that nothing in this section contained shall require the Reading Company to pay any such tax, assessment or charge, so long as in good faith the Reading Company shall contest the validity thereof.

SEC. 5. Except subject to the lien hereof, or unless herein otherwise expressly provided, the Reading Company will not sell, encumber, or by any voluntary act part with its ownership of, or its title to, any shares of stock which shall have been pledged hereunder, or its equity of redemption therein or the voting power thereof; and subject to the lien hereof it will hold all and singular such stock of every company of whose capital stock the greater part shall have been pledged hereunder, and will exercise its voting power thereon in such manner that it shall retain in itself the

rights and powers of the holder of the greater part of the capital stock of such company.

As such holder of such stock, it will not, by affirmative vote or by abstaining from voting, sanction or permit any increase of the capital stock of any such company.

Except as herein otherwise expressly provided, the Reading Company will not, by affirmative vote or by abstaining from voting, sanction or permit any Company, of whose capital stock the greater part shall be owned by the Reading Company and shall be pledged hereunder, to sell or otherwise dispose of its property or to lease the same (unless such lease be terminable hereunder by entry of the Trustee, or by sale of the Trustee, or pursuant to judicial proceedings), except to the Reading Company or to some other company of whose capital stock not less than ninety per cent. shall be held by the Reading Company.

SEC. 6. The Reading Company will not issue, negotiate, sell or dispose of any bonds hereby secured in any manner other than in accordance with the provisions of this Indenture and the agreements in that behalf herein contained; and in issuing, selling, negotiating or otherwise disposing of such bonds, from time to time, it will well and truly apply, or cause to be applied, the same, or the proceeds thereof, to and for the purpose herein prescribed, and to and for no other or different purpose.

## ARTICLE THREE.

## Trusts relating to Pledged Stocks.

SECTION 1. The Trustee may do whatever may be necessary for the purpose of maintaining or preserving the corporate existence of any company the greater part of whose shares shall have been pledged hereunder, and for such purposes, from time to time, it may sell, assign, transfer and deliver so many shares of the stock of the several companies as may be necessary to qualify persons to act as directors of, or in any other official relation to, said companies ; provided, however, that under this provision no transfer shall be made which shall reduce the amount of stock in any company held by the Trustee, so as to render it less than a controlling interest in such stock ; and in every case the Trustee may make such arrangements as it shall deem necessary for the protection of the trust hereunder.

The Trustee may cause to be transferred into its own name, as Trustee hereunder, all shares of stock delivered and assigned to it, or which at any time hereafter may be delivered and assigned to it as security hereunder.

SEC. 2. Unless and until a Receiver shall have entered into possession of the property of the Reading Company or of any of the companies whose capital stock is pledged hereunder, the Trustee shall not collect or be entitled to collect the dividends on any shares of stock now or hereafter pledged with, or assigned to, the Trustee under this Indenture, but the Reading Company shall be entitled to receive all dividends on all shares of stock which shall have been transferred to or pledged with the Trustee pursuant to any provision of this Indenture or which shall be subject to the lien hereof ; and from time to time (subject to the covenants in respect thereof herein contained), upon the request

of the Reading Company the Trustee shall deliver orders in favor of the Reading Company, or its nominees, for the payment of dividends, and the Reading Company may collect such dividends, but not by any proceeding which the Trustee shall deem to be prejudicial to the trusts hereunder ; and the Trustee at once shall pay over to the Reading Company any dividends which may be collected or received by it.

Unless a Receiver shall have entered into possession of the property of the Reading Company or of any of the companies whose capital stock or any part thereof is pledged hereunder, or unless the Trustees after default shall have elected to exercise the powers relating to default herein contained, the Reading Company shall have a right to vote upon all the shares of stock pledged hereunder for all purposes not inconsistent with the provisions or purposes of this Indenture and with the same force and effect as though such pledge had not been made ; and from time to time, upon demand of the Reading Company, the Trustee, forthwith, shall execute and deliver, or shall cause to be executed and delivered, to the Reading Company, or to its nominees, suitable powers of attorney or proxies to vote upon any shares of stock which shall have been transferred into the name of the Trustee.

In case, at any time, any company of whose capital stock the greater part shall be held by the Trustee hereunder, shall be dissolved or liquidated, or in case all or any of the property of any such company shall be sold upon the insolvency of such company at any judicial or other sale, the Trustee may take such steps as in its discretion it shall deem advisable to protect its interests hereunder in respect of any stock subject to the lien hereof, and for that purpose it may join in any plan of re-organization in respect of any stocks and may accept new securities issued in exchange therefor under such plan.



The Reading Company covenants that, on demand of the Trustee, it, the Reading Company, forthwith will pay, or will satisfactorily provide for, all expenditures incurred by the Trustee under any of the provisions of this Section, including all sums required to obtain and perfect the ownership and title to any property which the Trustee shall purchase or cause to be purchased pursuant to the provisions of this Section, and in case the Reading Company shall fail so to do, then, without impairment of, or prejudice to, any of its rights hereunder by reason of the default of the Reading Company, the Trustee, in its discretion, may advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances made by the Trustee, or others at its request, with interest thereon, the Trustee shall have a lien prior to these presents upon all the stocks, claims or indebtedness in respect of which such advances shall have been made, and the proceeds thereof and any property acquired therewith.

In case the Trustee shall not purchase or cause to be purchased the property sold at any such sale, and shall not join in a plan of re-organization as aforesaid in respect of such stock, then the Trustee shall receive any portion of the proceeds of the sale accruing on the securities by it held hereunder, and such proceeds, from time to time, shall be used by the Trustee in the purchase at the lowest price obtainable, or redemption by lot of bonds secured hereby.

## ARTICLE FOUR.

## Remedies of Trustee and Bondholders.

SECTION 1. No coupon belonging to any bond hereby secured, which in any way, at or after maturity, shall have been transferred or pledged separate and apart from the bond to which it relates, shall, unless accompanied by such bond, be entitled, in case of a default hereunder, to any benefit of, or from, this Indenture, except after the prior payment in full of the principal of the bonds issued hereunder, and of all coupons and interest obligations, not so transferred or pledged.

SEC. 2. In case (1) default shall be made in the payment of any interest on any bond or bonds secured by this Indenture, and any such default shall continue for a period of six months; or in case (2) default shall be made in the due and punctual payment of the principal of any bond hereby secured; or in case (3) default shall be made in the due observance or performance of any other covenant or condition herein required to be kept or performed by the Reading Company, and any such last-mentioned default shall continue for a period of six months after written notice thereof from the Trustee or from the holders of twenty per centum in amount of the bonds hereby secured, then and in each and every such case the Trustee personally, or by its agents or attorneys, may vote the shares of stock hereby pledged, and exercise any and every corporate power belonging or pertaining to the ownership of the shares of Capital Stock to manage and control the several corporations whose stock is pledged hereunder, and all dividends or revenue arising therefrom shall be applied as follows:

In case the principal of the bonds hereby secured shall not have become due, to the payment of the

interest in default, in the order of the maturity of the installments of such interest, with interest thereon at the rate of four per centum per annum ; such payments to be made ratably to the persons entitled thereto, without discrimination or preference.

In case the principal of the bonds hereby secured shall have become due, by declaration or otherwise, to the payment, *first*, of the interest in default (with interest on the overdue installments thereof at the rate of four per centum per annum) in the order of the maturity of the installments, and, *second*, to the payment of the principal of all bonds hereby secured ; in every instance such payments to be made ratably to the persons entitled to such payment without any discrimination or preference.

These provisions, however, not being intended in anywise to modify the provisions of Section I of this Article Four.

SEC. 3. In case default shall be made in the payment of any interest on any bond or bonds hereby secured, and any such default shall continue for a period of six months, then and in every case of such continuing default, upon the written request of the holders of a majority in amount of the bonds hereby secured then outstanding, the Trustee, by notice in writing delivered to the Reading Company, shall declare the principal of all bonds hereby secured and then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Indenture or in said bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of said bonds shall have been so declared due and payable, all arrears of interest upon all

such bonds, with interest at the rate of four per centum per annum on overdue installments of interest, shall be paid by the Reading Company or be collected out of the mortgaged premises before any sale of the mortgaged premises shall have been made, then and in every such case the holders of a majority in amount of the bonds hereby secured then outstanding, by written notice to the Reading Company, and to the Trustee, may waive such default and its consequences; but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

SEC. 4. In case (1) default shall be made in the payment of any interest on any bond at any time issued under and secured by this Indenture, and any such default shall continue for a period of six months; or in case (2) default shall be made in the due and punctual payment of the principal of any bond hereby secured; or in case (3) default shall be made in the due observance or performance of any other covenant or condition herein required to be kept or performed by the Reading Company, and any such default shall continue for a period of six months after written notice thereof from the Trustee or from the holders of twenty per centum in amount of the bonds hereby secured; then, and in each and every such case of default, the Trustee, personally or by attorney, in its discretion (a) may sell to the highest and best bidder all and singular the pledged shares of stock, of every kind, and all right, title and interest, claim and demand therein, and right of redemption thereof, in one lot, unless a sale in different parcels shall be required under the provisions of Section 6 of this Article Four, in which case such sale may be made as in said Section 6 provided; which sale or sales shall be made at public auction at such place in the City of Philadelphia, in the State of Pennsylvania, or at such other place

or places, and at such time and upon such terms as the Trustee may fix and briefly specify in the notice of sale to be given, as herein provided ; or (*b*) may proceed to protect and enforce its rights and the rights of bondholders under this Indenture, by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this Indenture, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel learned in the law, shall deem most effectual to protect and enforce any of its rights or duties hereunder.

SEC. 5. Upon the written request of the holders of twenty-five per centum in amount of the bonds hereby secured, in case of any such continuing default, it shall be the duty of the Trustee, upon being indemnified, as hereinafter provided, to take all steps needful for the protection and enforcement of its rights and the rights of the holders of the bonds hereby secured, and to exercise the power of sale herein conferred, or to take appropriate judicial proceedings by action, suit or otherwise, as the Trustee, being advised by counsel learned in the law, shall deem most expedient in the interest of the holders of the bonds hereby secured ; but anything in this Indenture to the contrary notwithstanding (except as provided in Section 6 of this article), the holders of seventy-five per centum in amount of the bonds hereby secured and then outstanding, from time to time, shall have the right to direct and control the method and place of conducting any and all proceedings for any sale of the premises hereby conveyed, mortgaged or pledged, or for the foreclosure of this Indenture, or for the appointment of a Receiver or of any other proceedings hereunder.

SEC. 6. In the event of any sale, whether made under the power of sale hereby granted or conferred, or under or by virtue of judicial proceedings, or of some judgment or decree of foreclosure and sale, the whole of the shares of stock and other property, if any, hereby mortgaged and pledged shall be sold by itself in one lot and as an entirety, including all the rights, title and estates in said stocks, unless the holders of a majority in amount of the bonds hereby secured then outstanding shall in writing request the Trustee to cause said shares of stock to be sold in different parcels, in which case the sale shall be made in such parcels as may be specified in such request or petition, unless such sale in parcels is impracticable by reason of some statute or other cause; and this provision shall bind the parties hereto, and each and every of the holders of the bonds and coupons hereby secured, or intended so to be.

SEC. 7. Notice of any such sale pursuant to any provision in this Indenture shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each week for four successive weeks prior to such sale in a newspaper published in New York, N. Y., and in a newspaper published in Philadelphia, Pennsylvania.

SEC. 8. The Trustee, from time to time, may adjourn any sale to be made by it under the provisions of this Indenture, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales; and without further notice or publication, it may make such sale at the time and place to which the same shall be so adjourned.

SEC. 9. Upon the completion of any sale or sales



under this Indenture, the Trustee shall execute and deliver to the accepted purchaser or purchasers good and sufficient instrument or instruments of assignment and transfer of the property sold. And the Trustee and its successors hereby are appointed the true and lawful attorney or attorneys irrevocable of the Reading Company in its name and stead, to make all necessary transfers of shares of stock thus sold ; and for that purpose it and they may execute all necessary acts of assignment and transfer, and may substitute one or more persons with like power ; the Reading Company hereby ratifying and confirming all that its said attorney or attorneys or such substitute or substitutes shall lawfully do by virtue hereof.

Any such sale or sales made under or by virtue of this Indenture, whether under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Reading Company, of, in and to the premises sold, and shall be a perpetual bar both at law and in equity, against the Reading Company, its successors and assigns, and against any and all persons claiming or to claim the shares of stock sold, or any part thereof, from, through or under the Reading Company, or its successors or assigns.

SEC. 10. The receipt of the Trustee shall be a sufficient discharge to any purchaser of the property or any part thereof, sold as aforesaid, for the purchase money ; and no such purchaser or his representatives, or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this Indenture, or in any manner whatsoever be answerable for any loss, misapplication or non-application of any such purchase

money or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sales.

SEC. 11 In case of any sale, whether made under the power of sale granted herein or in or pursuant to judicial proceedings in enforcement of the lien of this Indenture, the whole of the principal sums of the bonds hereby secured, if not previously due, shall at once become due and payable, anything in said bonds or in this Indenture to the contrary notwithstanding.

SEC. 12. The purchase money, proceeds or avails of any such sale, whether under the power of sale hereby granted or pursuant to judicial proceedings, together with any other sums which may then be held by the Trustee under any of the provisions of this Indenture as part of the trust estate or the proceeds thereof, shall be applied as follows :

*First.* To the payment of the costs and expenses of such sale, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustee in managing and maintaining the property hereby conveyed or intended so to be, and to the payment of all taxes, assessments or liens prior to the lien of these presents, except any taxes, assessments or other superior liens to which such sales shall have been made subject.

*Second.* To the payment of the whole amount then owing or unpaid upon the bonds hereby secured for principal and interest, with interest at the rate of four per centum per annum on the overdue installments of interest, and in case such proceeds shall be insufficient to pay in full the whole amount so due and

unpaid upon the said bonds, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably, to the aggregate of such principal and the accrued and unpaid interest, subject, however, to the provisions of Section 1 of this Article Four ;

*Third.* To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

SEC. 13. Upon any such sale by the Trustee, or pursuant to judicial proceedings, any purchaser, for or in settlement or payment of the purchase price of the property purchased, shall be entitled to use and apply any bonds, and any matured and unpaid coupons hereby secured, by presenting such bonds and coupons in order that there may be credited thereon, the sums applicable to the payment thereof out of the net proceeds of such sale after making any deductions which may be made from the proceeds of sale for costs, expenses, compensations and other charges ; and such purchaser thereupon shall be credited, on account of such purchase price payable by him, with the sums applicable out of such net proceeds to the payment of, and credited on, the bonds and coupons so presented ; and, at any such sale, any bondholder may bid for, and purchase, such property, and may make payment therefor as aforesaid, and upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability.

SEC. 14. The Reading Company covenants that (1) in case default shall be made in the payment of any interest on any bonds at any time outstanding and secured by this

Indenture, and such default shall continue for a period of six months, or (2) in case default shall be made in the payment of the principal of any such bonds when the same shall become payable, whether at the maturity of said bonds, or by declaration as authorized by this Indenture, or by a sale of the mortgaged and pledged shares of capital stock as hereinbefore provided, then, upon demand of the Trustee, the Reading Company will pay to the Trustee, for the benefit of the holders of the bonds and coupons hereby secured, then outstanding, the whole amount due and payable on all such bonds and coupons then outstanding, for interest or principal, or both, as the case may be, with interest at the rate of four per centum per annum upon the overdue principal and installments of interest; and in case the Reading Company shall fail to pay the same forthwith upon such demand, the Trustee, in its own name, and as Trustee of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

The Trustee shall be entitled to recover judgment as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture upon the mortgaged and pledged shares of Capital Stock, and the right of the Trustee to recover such judgment shall not be affected by any sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture or the foreclosure of the lien thereof; and in the case of a sale of the mortgaged and pledged shares, and of the application of the proceeds of sale to the payment of the bonds secured hereby, the Trustee, in its own name and as Trustee of an express trust, shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all of the bonds issued hereunder and then outstanding, for the benefit of the holders thereof, and

shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery of any such judgment by the Trustee, and no levy of any execution upon any such judgment upon property subject to the lien of this Indenture, or upon any other property, shall in any manner or to any extent affect the lien of this Indenture upon the mortgaged and pledged shares or any part thereof, or any rights, powers or remedies of the Trustees hereunder, or any lien, rights, powers or remedies of the holders of the bonds hereby secured, but such lien, rights, powers and remedies of the Trustee and of the bondholders shall continue unimpaired as before.

Any moneys thus collected by the Trustee under this section shall be applied by the Trustee towards payment of the amounts then due and payable upon such bonds and coupons, respectively, ratably and without any preference or priority of any kind, upon presentation of the respective bonds and coupons and stamping such payment thereon, if partly paid, or upon cancellation thereof, if paid in full.

SEC. 15. The Reading Company will not at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of, any stay or extension law, now or at any time hereafter in force in any locality where the mortgaged or pledged property, or any part thereof may or shall be situate, nor will it claim, take or insist on, any benefit or advantage from any law now or hereafter in force providing for the valuation or appraisal of the mortgaged or pledged property, or any part thereof, prior to any sale, or sales, thereof to be made pursuant to any provision herein contained, or to the decree of any court of competent jurisdiction, nor after any such sale or sales will it claim or exercise any right, under any statute enacted by any State, or otherwise, to redeem the

property so sold or any part thereof, and the Reading Company hereby expressly waives all benefit and advantage of any such law or laws, and covenants that it will not hinder, delay or impede the execution of any power herein granted and delegated to the Trustee, but that it will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

SEC. 16. No holder of any bond or coupon hereby secured shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture, or for the execution of any trust thereof, or for the appointment of a Receiver, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of such default and of the continuance thereof, as hereinbefore provided; nor unless, also, the holders of twenty-five per centum in amount of the bonds hereby secured, then outstanding, shall have made written request upon the Trustee and shall have afforded to it a reasonable opportunity, either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; nor unless, also, they shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action, for foreclosure or for the appointment of a Receiver, or for any other remedy hereunder; it being understood and intended that no one or more holders of bonds and coupons shall have any right in any manner whatever to affect, disturb, or prejudice the lien of this Indenture by his or



their action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of such outstanding bonds and coupons.

SEC. 17. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustee, or to the holders of bonds hereby secured, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SEC. 18. No delay or omission of the Trustee, or of any holder of bonds hereby secured, to exercise any right or power accruing upon any default, continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given hereby to the Trustee, or to the bondholders, may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the bondholders.

## ARTICLE FIVE.

## Immunity of Officers, Directors and Stockholders.

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any bond, or coupon hereby secured, or because of the creation of any indebtedness hereby secured, shall be had against any incorporator, stockholder, officer or director of the Reading Company, or of any successor corporation, either directly or through the Reading Company, by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise; it being expressly agreed and understood that this Indenture, and the obligations hereby secured, are solely corporate obligations, and that no personal liability whatever shall attach to, or be incurred by, the incorporators, stockholders, officers or directors of the Reading Company, or of any successor corporation, or any of them, because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture, or in any of the bonds or coupons hereby secured, or implied therefrom; and that any and all personal liability of every name and nature, either in common law or in equity, or by statute or constitution, of any and all rights and claims against, every such stockholder, officer or director, are hereby expressly waived as a condition of, and as a consideration for, the execution of this Indenture and the issue of such bonds and interest obligations.

## ARTICLE SIX.

**Bondholders' Acts, Holdings and Apparent Authority.**

SECTION 1. Any request or other instrument, required by this Indenture to be signed and executed by bondholders, may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent, and of the holding by any person of coupon bonds transferable by delivery, shall be sufficient for any purpose of this Indenture, and shall be conclusive in favor of the Trustee with regard to due action taken by it under such request or other instrument, if made in the following manner :

The fact and date of the execution by any person of any such request, or other instrument, or writing, may be proved by the certificate of any notary public, or other officer at that time authorized to take acknowledgements of deeds to be recorded in New York or in Pennsylvania, that the person, signing such request or other instrument, acknowledged to him the execution thereof, or by an affidavit of a witness to such execution.

The amount of bonds transferable by delivery, held by any person executing any such request or other instrument as a bondholder, and the amounts and issue numbers of the bonds held by such persons, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers or other depository (wherever situated), if such certificate shall be deemed by the Trustee to be satisfactory, showing therein that at the date therein mentioned such person had on deposit with such depository the bonds described in such certificate.

The ownership of registered and registered coupon bonds shall be proved by the registers of such bonds.

SEC. 2. The Reading Company and its depositaries and agents and the Trustee may deem and treat the bearer of any coupon bond hereby secured, which shall not at the time be registered as hereinbefore authorized, and the bearer of any coupon for interest on any such bond, whether such bond shall be registered or not, as the absolute owner of such bond or coupon as the case may be, for the purpose of receiving payment thereof and for all other purposes; and neither the Reading Company nor its depositaries or agents nor the Trustee shall be affected by any notice to the contrary.

## ARTICLE SEVEN.

## Concerning the Trustee.

SECTION 1. The Trustee shall not be answerable for the default or misconduct of any agent or attorney appointed by it in pursuance hereof, if such agent or attorney shall have been selected with reasonable care; or for anything whatever in connection with this trust, except willful misconduct or gross negligence. The Trustee shall not be under any obligation to take any action towards the execution or enforcement of the trusts hereby created, which, in its opinion, shall be likely to involve it in expense or liability, unless one or more of the holders of the bonds hereby secured shall, as often as required by the Trustee, furnish it reasonable indemnity against such expense or liability; nor shall the Trustee be required to take notice of any default hereunder, unless notified in writing of such default by the holders of at least twenty per centum in amount of the bonds hereby secured then outstanding, or to take any action in respect of any default unless requested to take action in respect thereof by a writing signed by the holders of not less than twenty-five per centum in amount of the bonds hereby secured, then outstanding, and tendered reasonable indemnity, as aforesaid, anything herein contained to the contrary notwithstanding; but the foregoing provisions of this Section are intended only for the protection of the Trustee, and shall not be construed to limit or affect any discretion or power by any provision of this Indenture given to the Trustee to determine whether or not it shall take action in respect of any default, or any power or discretion of the Trustee to take action in respect of any default without such notice or request from bondholders. The Trustee shall not be

responsible for the recording of this Indenture and shall not be required to file the same as a chattel mortgage.

The Trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the trusts hereby created, and the Reading Company agrees to pay such compensation as well as all expenses necessarily incurred or disbursed by the Trustee hereunder.

SEC. 2. The Trustee, or any Trustee hereafter appointed, may resign, and be discharged of the trusts created by this Indenture by giving notice thereof to the Reading Company, and to the bondholders, by publication, at least twice a week, for four successive weeks, in one newspaper at that time published in New York, N. Y., in one newspaper published in Philadelphia, Pennsylvania, and by due execution of the conveyance herein required.

The Trustee may be removed at any time by an instrument in writing under the hands of holders of three-quarters in amount of the bonds hereby secured and then outstanding.

SEC. 3. In case at any time the said The Pennsylvania Company for Insurances on Lives and Granting Annuities, or any Trustee hereafter appointed, shall resign or shall be removed or otherwise shall become incapable of acting, a successor, or successors may be appointed by the holders of a majority in amount of the bonds hereby secured then outstanding, by an instrument or concurrent instruments signed by such bondholders or their attorneys in fact duly authorized; provided, nevertheless, and it is hereby agreed and declared that, in case at any time there shall be a vacancy in the office of Trustee hereunder, the Reading Company, by an instrument executed by order of its Board of Directors, may appoint a Trustee to fill such vacancy



until a new Trustee shall be appointed by the bondholders as herein authorized. Thereupon the Reading Company shall publish notice of such appointment once a week for six successive weeks in a newspaper published in New York, N.Y., and in a newspaper published in Philadelphia, Pennsylvania; and any new Trustee so appointed by the Reading Company shall immediately and without further act be superseded by a Trustee appointed in the manner above provided by the holders of a majority in amount of the bonds hereby secured prior to the expiration of one year after such publication of notice.

Any such new Trustee appointed hereunder shall execute, acknowledge and deliver to the Trustee last in office, and also to the Reading Company, an instrument accepting such appointment hereunder and thereupon such new Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but nevertheless, on the written request of the new Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such new Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the Trustee so resigning or removed, and shall duly assign, transfer and deliver any stocks, bonds or other property and moneys helds by such Trustee to the new Trustee so appointed in its place; and, upon request of any such new Trustee, the Reading Company shall make, execute, acknowledge and deliver any and all deeds, conveyances or instruments in writing for more fully and certainly vesting in and confirming to such new Trustee all such estates, properties, rights, powers and duties.

## ARTICLE EIGHT.

SECTION 1. If, when the bonds hereby secured shall have become due and payable, the Reading Company shall well and truly pay, or cause to be paid, the whole amount of the principal moneys and interest due upon all the bonds and coupons for interest thereon hereby secured, then outstanding, or shall provide for such payment by depositing with the Trustee hereunder for the payment of such bonds and coupons, the entire amount due thereon for principal and interest, and also shall pay, or cause to be paid, all other sums payable hereunder by the Reading Company, and shall well and truly keep and perform all the things herein required to be kept and performed by it according to the true intent and meaning of this Indenture, then and in that case all property, rights and interests hereby conveyed or pledged shall revert to the Reading Company, and the estate, rights, title and interest of the Trustee shall thereupon cease, determine and become void and the Trustee in such case, on demand of the Reading Company, and at its cost and expense, shall enter satisfaction of this Indenture upon the record; otherwise the same shall be, continue and remain in full force and virtue.

## ARTICLE NINE.

## Sundry Provisions.

SECTION 1. All the covenants, stipulations, promises and agreements in this Indenture contained, by or in behalf of the Reading Company shall bind such Company, its successors and assigns, whether so expressed or not.

SEC. 2. For every purpose of this Indenture, including the execution, issue and use of any and all bonds hereby secured, the terms "Reading Company" includes and means not only the party of the first part hereto, but also any such successor corporation. Every such successor corporation shall possess, and from time to time may exercise, each and every right and power hereunder of the Reading Company in its name or otherwise.

The Pennsylvania Company for Insurances on Lives and Granting Annuities, Trustee, party hereto of the second part, hereby accepts the trusts in this Indenture declared and provided, and agrees to perform the same upon the terms and conditions hereinbefore set forth.

Except when otherwise indicated, the words "the Trustee," or "said Trustee," or any other equivalent term, as used in this Indenture shall be held and construed to mean the Trustee, or Trustees, for the time being, whether original or successor, and the words "Trustee," "bond," "bondholder" and "holder" shall include the plural as well as the singular number, and the term "majority" shall signify "majority in amount," whether or not so expressed.

**In witness whereof**, the READING COMPANY, the party hereto of the first part, has caused this Indenture to be signed by its President, and its corporate seal to be hereunto affixed, and the same to be attested by the signa-

ture of its Secretary, and the due execution of these presents to be proved; and THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, the party hereto of the second part, has caused this Indenture to be signed by its President and its corporate seal to be hereunto affixed, and the same to be attested by the signature of its Secretary, and the due execution of these presents to be proved.

READING COMPANY,

{ Seal  
Reading  
Company }

by J. S. HARRIS,

President.

Attest:

W. G. BROWN,

( United States Internal Revenue  
Stamps, \$11,500, cancelled )

Secretary.

Signed, sealed and delivered }  
on behalf of the Company }  
in the presence of }

W. G. BROWN

W. R. TAYLOR

THE PENNSYLVANIA COMPANY FOR INSURANCES ON  
LIVES AND GRANTING ANNUITIES,

by C. S. W. PACKARD,

President.

Attest:

LEWIS A. BALZ,

{ Seal  
Pa. Co. for  
Ins., etc. }

Secretary.

COMMONWEALTH OF PENNSYLVANIA, )  
 City and County of Philadelphia, ) ss. :

On the First day of April, 1901, before me, the subscriber, a Notary Public for the Commonwealth of Pennsylvania, residing in the City of Philadelphia, personally appeared W. G. Brown, Secretary of the above-named Reading Company (he being one of the subscribing witnesses to the sealing and delivery of the above Indenture), who, being by me duly sworn according to law, did depose and say : That he was present at the execution of the said Indenture, and did see Joseph S. Harris, the President of said corporation, affix the common or corporate seal of the said Reading Company thereto, and subscribe his name as President in attestation thereof; that the seal so affixed is the common or corporate seal of the said corporation, and that the said seal was so affixed, and the said Indenture was duly sealed and delivered by the said President, as the act and deed of the said corporation, for the uses and purposes therein mentioned, in pursuance of a resolution of the Board of Directors, duly passed at a meeting thereof, held the 28th day of February, A. D. 1901; that he saw W. R. Taylor, the said subscribing witness, sign his name to the said Indenture; and that the name of this deponent, subscribed to said Indenture as Secretary of the said Company, in attestation of the due execution and delivery of the said Indenture, and also subscribed as a witness to the sealing and delivery thereof, are of his (this deponent's) own handwriting.

Sworn and subscribed before me. )  
 Witness my hand and notarial ) W. G. BROWN  
 seal the day and year aforesaid. )

C. K. KLINK,

{ Notarial }  
 { Seal }

Notary Public.



3 0112 072423061

STATE OF PENNSYLVANIA, }  
City and County of Philadelphia, } ss. :

On the First day of April, 1901, before me, the subscriber, a Notary Public for the Commonwealth of Pennsylvania, residing in the City of Philadelphia, personally appeared Lewis A. Balz, Secretary of the said The Pennsylvania Company for Insurances on Lives and Granting Annuities, who being duly affirmed according to law, says that he was personally present at the execution of the foregoing Indenture, and saw the common or corporate seal of the said corporation duly affixed thereto; that the seal so affixed thereto is the common or corporate seal of the said corporation; that the foregoing Indenture was duly sealed and delivered by C. S. W. Packard, President of the said corporation, as and for the act and deed of the said corporation, for the uses and purposes therein mentioned, by order of the Board of Directors of said corporation, and that the names of this affiant as Secretary, and of C. S. W. Packard, as President of the said corporation, subscribed to the foregoing Indenture in attestation of its due execution and delivery, are of their and each of their respective handwritings.

Affirmed and subscribed before me. }  
Witness my hand and notarial } LEWIS A. BALZ  
seal the day and year aforesaid. }

OAKLEY COWDRICK,

{ Notarial }  
{ Seal }

Notary Public.